

**PUBLIC PROTECTION CABINET**  
**Department of Insurance**  
**Division of Property and Casualty**  
**(As Amended at ARRS, September 14, 2021)**

**806 KAR 46:050. Liability self-insurance group rate, underwriting and evidence of coverage filings**

RELATES TO: KRS 304.1-050, 304.13-011, 304.13-051, KRS 304.14-120, 304.48-020(7), 304.48-180, **304.48-200**

STATUTORY AUTHORITY: KRS 304.48-180, 304.48-230

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.48-230 authorizes the commissioner to promulgate reasonable administrative regulations consistent ~~[not inconsistent]~~ with KRS 304 Subtitle 48 that the commissioner deems necessary for the proper administration of the subtitle. KRS 304.48-180 requires liability self-insurance groups to file rates, underwriting guidelines, evidence of coverage and any changes therein with the commissioner. This administrative regulation establishes the procedures for liability self-insurance groups to submit these filings.

Section 1. Definitions.

- (1) "Commissioner" is defined by ~~[in]~~ KRS 304.1-050(1).
- (2) "Liability self-insurance group" is defined by ~~[in]~~ KRS 304.48-020(7).
- (3) "Rates and underwriting guidelines" means any rating manuals and underwriting rules for all coverage types including any manual or plan of rates, loss costs, risk classifications, rating schedule, minimum premium, policy fees, premium payment plans, rating rules, supplementary rating information or any other similar information needed to determine the applicable coverage rate or premium for a member.
- (4) "Supplementary rating information" is defined by ~~[in]~~ KRS 304.13-011(2).

Section 2. General Filing Requirements.

- (1) All **liability self-insurance group rate, underwriting and evidence of coverage** filings shall be accompanied by a completed and signed Form LSIG F-1A P&C, ~~["]~~Face Sheet and Verification Form for Liability Self-Insurance Groups~~["]~~.
- (2) All paper filings shall include one (1) full document set on 8 1/2" x 11" white paper with two (2) cover letters and a self-addressed stamped envelope.
- (3) A filing may include any number of documents, filed together on a particular date. Rates and underwriting guidelines shall be filed separately from evidence of coverage forms.
- (4)(a) A liability self-insurance group may submit a filing in an electronic format established by the National Association of Insurance Commissioners.
- (b) An electronic filing shall be in lieu of a paper filing.
- (5) The period of time in which the commissioner may affirmatively approve or disapprove the filing, as set forth in KRS 304.13-051, shall not begin until a complete filing and the filing fee in accordance with KRS 304.48-180, is received.

Section 3. Rate and Rule Filings.

- (1) The rates and underwriting guidelines shall be filed not later than fifteen (15) days after the date of first use of the rates and underwriting guidelines, pursuant to KRS 304.13-051(1).
- (2) A liability self-insurance group shall comply with the requirements of KRS 304.13-051(5).

(3) Form LSIG: S-1 P & C, ~~[""]~~Filing Synopsis for Rates and or Rules~~[""]~~ shall be filed with all rate and underwriting guideline filings. Separate forms shall be filed for each type of coverage.

(4)(a) Form LSIG: LC-1 P & C, ~~[""]~~Calculation of Loss Cost Multiplier~~[""]~~ shall be filed with all rate filings referencing loss costs formulated by any advisory organization. Separate forms shall be filed for each type of coverage.

(b) Form LSIG LC-2 P & C, ~~[""]~~Expense Constant Supplement~~[""]~~ shall be filed with all rate filings referencing loss costs formulated by an advisory organization in which an expense constant is used. Separate forms shall be filed for each type of coverage.

(5)(a) **Form LSIG: EMA P & C, E-mod Affidavit, shall be filed with** all rate or underwriting guideline filings **that utilize[utilizing]** an experience modification plan, **and** shall include the experience rating plan by type of coverage with the formula used for calculating the experience modification factor for that coverage. Each experience modification factor applied shall be made available to the member upon request.

(b) All rate or underwriting guideline filings containing schedule rating plans shall identify the characteristics of the risk not reflected in an experience modification factor.

(c) Any application of the schedule rating plan shall be based on evidence contained in the liability self-insurance group's file at the time it is applied. The schedule rating plan debit or credit factor applied shall be made available to the member upon request.

(d) If the reason for application of any schedule debit is corrected by the member to the satisfaction of the liability self-insurance group, the debit may be removed at the time evidence of the correction is received by the group.

#### Section 4. Coverage Form Filings.

(1) Form LSIG: S-2 P & C, ~~[""]~~Filing Synopsis **Form[for Forms-"]** and Form LSIG: F-2 P & C, ~~[""]~~Forms Index~~[""]~~ shall be filed with all evidence of coverage form filings.

(2) An evidence of coverage form shall not be used until it has been approved by the commissioner. If the rates pertaining to an evidence of coverage form are required to be filed with or approved by the commissioner pursuant to KRS 304.13-051, the coverage form shall not be used until the appropriate rates have been filed or approved as required.

(3) A filing which amends, replaces, or supplements an evidence of coverage form previously filed and approved shall include an explanation setting forth all changes contained in the newly filed coverage form, the effect, if any, the changes have upon the hazards purported to be assumed by the policy, and an explanation as to the effect on the rates applicable thereto.

(4) A change of signature of the executing officer on an evidence of coverage form shall not, because of this change alone, require a new filing.

#### Section 5. Advisory Organization Filings.

(1) A liability self-insurance group that is a member, subscriber, or service purchaser of an advisory organization, statistical agent, or forms provider may adopt coverage forms, rating plans, rating rules, rating schedules, other supplementary rating information, underwriting rules or guidelines, or statistical plans of that advisory organization or statistical agent **[by doing so]** in accordance with the procedures established in this administrative regulation and shall clearly identify each filing of the advisory organization or statistical agent it is adopting.

(2) If a liability self-insurance group chooses to adopt only a specific filing of an advisory organization, statistical agent, or form provider it shall do so in accordance with the procedures established in this administrative regulation, and shall clearly identify which filing of the advisory organization or statistical agent it is adopting. Loss cost filings shall be specifically adopted.

(3)(a) If a liability self-insurance group chooses to adopt all of the current and future evidence of coverage forms, rating plans, rating rules, rating schedules, other supplementary rat-

ing information, underwriting rules or guidelines and statistical plans, excluding loss costs, of an advisory organization, statistical agent, or forms provider, it may file written notice with the commissioner that it is adopting by blanket reference all of the current and future coverage forms, rating plans, rating rules, rating schedules, other supplementary rating information, underwriting rules or guidelines and statistical plans, excluding loss costs, as filed by the advisory organization, statistical agent, or forms provider. Loss cost filings shall not be adopted on this blanket reference basis.

(b) If a liability self-insurance group previously notified the commissioner of its adoption of all current and future filings, excluding loss cost filings, by the advisory organization, statistical agent, or forms provider and chooses to not adopt certain evidence of coverage forms, rating plans, rating rules, rating schedules, other supplementary rating information, underwriting rules or guidelines, or statistical plans, the group shall file notice of the nonadoption with the commissioner and shall pay the appropriate filing fee in accordance with KRS 304.48-180.

1. If a liability self-insurance group previously notified the commissioner of its adoption of all current and future filings, excluding loss cost filings, by the advisory organization, statistical agent, or forms provider and chooses to delay the effective date of its adoption, it shall submit a letter to the commissioner requesting the revised date upon which it will adopt the filing.

2. The delayed adoption date shall be within six (6) months of the original effective date.

3. If additional time is needed, a second letter shall be submitted to the commissioner, requesting a revised delayed adoption date.

4. All revised delayed adoption dates shall be within one (1) year of the original effective date as filed by the advisory organization, statistical agent, or forms provider.

5. If a liability self-insurance group fails to adopt the advisory organization, statistical agent, or forms provider filing within one (1) year of the original effective date as filed by the advisory organization, statistical agent, or forms provider, the insurer shall submit a filing to the commissioner indicating it is non-adopting.

#### Section 6. Incorporation by Reference.

(1) The following material is incorporated by reference:

(a) Form LSIG: F-1A P & C, "Face Sheet and Verification Form for Liability Self Insurance Groups," (7/2010);~~[-]~~

(b) Form LSIG: F-2 P & C, "Forms Index," (7/2010);~~[-]~~

(c) Form LSIG: S-1 P & C, "Filing Synopsis for Rates and or Rules," (7/2010);~~[-]~~

(d) Form LSIG: S-2 P & C, "Filing Synopsis Form," (7/2010);~~[-]~~

(e) **Form LSIG: LC-1 P & C, "Calculation of Loss Cost Multiplier", (7/2010);**

**(f) Form LSIG: LC-2 P & C, "Expense Constant Supplement," (7/2010); and[-]**

**(g)(#) Form LSIG: EMA P & C, "E-mod Affidavit," (7/2010).**

(2) This material may be inspected, copied or obtained, subject to applicable copyright law, from the Department of Insurance, The Mayo-Underwood Building, 500 Mero Street [245 West Main Street], Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m.

(3) Forms may also be obtained on the Department of Insurance Internet Web site, **<https://insurance.ky.gov/ppc/CHAPTER.aspx> [http://insurance.ky.gov].**

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